

# Revised Final Plan Attachment 1.5

## Required amendments

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October 2020

ERA Draft Decision				DBP Revised Final Plan	
Amendment No.	Did the ERA accept or reject?	ERA Required Amendments	DBP Response (Accept or Reject)?	Reasons	Refences
1	Modify	DBP must amend the list of Attachments in clause 17 of the proposed revised access arrangement to reflect the pipeline description document submitted by DBP, which is a description of the DBNGP as at 15 September 2019.	Accept		Access Arrangement Document
2	Modify	DBP must amend the access arrangement information to clarify the pipeline services that are available to prospective users by deleting references to the Seasonal Service, Metering and Temperature Service and Odourisation Service, which are services that exist within the contractual rights of reference services and cannot be provided as individual (stand-alone) pipeline services. The term "Seasonal Service" in clause 16 (Definitions) of the proposed revised access arrangement must also be deleted.	Accept		Access Arrangement Document
3	Modify	DBP must include a trigger event which would reopen the AA if DBP entered into any binding arrangement prior to 1 May 2023 which changes the direction of flow on the DBNGP.	Reject	In considering gas market developments in Western Australia that might result in a change in direction of the flow of the DBNGP, we have not accepted the ERA's proposed trigger mechanism. We outline proposed alternatives in discussing the access arrangement document and rebateable non-reference services.	Attachment 14.1B
4	Modify	DBP must amend the pipeline services information in clause 3 of the access arrangement to include descriptions of the reference and non-reference services that are listed in clause 3.1 (as per the statement in clause 3.2 of the proposed revised access arrangement). The list of non-reference services in clause 3.1(b) must include the Pilbara Service, Storage Service and Peaking Service (in addition to the non-reference services already listed in the proposed revised access arrangement).	Accept		Access Arrangement Document
5	Modify	DBP must amend the information for the Spot Capacity Service in clause 3.6(b)(ii) of the proposed revised access arrangement to correct a referencing error by deleting the reference to "clause 5.3(g)(i)" and replacing it with a reference to "clause 3.6(b)(iv)".	Accept		Access Arrangement Document
6	Modify	Consistent with Required Amendment 4, DBP must amend clause 3 of the proposed revised access arrangement to include a reference to, and a description of, the Peaking Service, which is a non-reference service that is to be specified as a rebateable service for AA5 pursuant to rule 94(4) of the NGR.	Accept	Modified to include three additional rebateable non-reference services	Attachment 13.2 Access Arrangement Document
7	Modify	DBP must amend its demand forecast for full haul reference services to maintain throughput and contracted capacity at 2020 forecast amounts.	Reject	We are providing additional information in support of our capacity and throughput forecasts.	Attachments 11.3-11.7
8	Modify	DBP must amend the total revenue requirement for AA5 to \$1,553.08m	Modify	This will change as a matter of course due to the responses to other amendments	Access Arrangement Document
9	Modify	DBP must amend forecast operating expenditure for AA5 to \$456.44 million (real as at 31 December 2019).	Modify	We will update 2019 base year for actual costs, updated labour cost escalation, zero productivity, maintain our forecast of turbine and GEA overhauls is the most consistent with NGR74, SUG volumes reflecting our throughput forecasts and the price for gas we can access under our contracts	Attachments 7.1A, 7.2A, 7.5 and 7.6 Access Arrangement Document
10	Modify	DBP must amend the opening capital base at 1 January 2021 to \$3,327.39 million (real as at 31 December 2019).	Modify	We have provided the additional information sought by the ERA on our AA4 IT Sustaining Applications projects, which demonstrates that the expenditure is conforming. We have also made updates to 2019 actuals, 2020 forecasts and forecast inflation for 2020, which sees some minor movements across projects.	Attachments 8.5A and 8.11 Access Arrangement Document

11	Modify	DBP must amend the projected capital base so that the closing capital base as at 31 December 2025 will be \$3,132.07 million.	Modify	Total AA5 capex is consistent with the level in our Final Plan. We have provided additional information that supports a small number of deferrals and project adjustments in line with the ERA's recommendations and more up to date asset information, updated delivery and costs of the AGIG One ERP, IT Enabling and IT Security projects and that supports why we do not accept a number of deferrals or cost reductions. We have also updated labour cost escalation.	Attachments 8.5A, 8.6A, 8.11 and 9.6A Access Arrangement Document
12	Modify	Subject to the nomination of a final averaging period, DBP must amend its rate of return to be 4.03 per cent (vanilla nominal after-tax).	Accept	We are following the ERA Rate of Return guidelines	Attachment 10.1 Access Arrangement Document
13	Modify	DBP must amend the forecast depreciation of the capital base for AA5 to \$559.09 million (real as at 31 December 2019).	Modify	We are providing further information and modifying various elements of forecast depreciation.	Attachments 9.7, 9.8, 9.9 and 9.10 Access Arrangement Document
14	Modify	DBP must amend the calculation of income tax as follows: i) Amend the approach to use unsmoothed revenue to determine taxable income. ii) Amend the approach to maintain a 20-year tax asset life for the tax asset class 'Other depreciable' assets. iii) Separately identify any building assets from its tax assets purchased on or after 1 January 2021, which should be depreciated using straight-line depreciation for tax purposes. iv) Separately identify any refurbishment capital expenditure in its access arrangements that is to be included in forecast operating expenditure and capital expenditure. v) Amend the formula for the diminishing value method to use an asset's effective life. vi) Amend the estimate cost of corporate income tax in accordance with the values set out in Table 120 of this draft decision.	Varies	For each of the ERA's proposed sub amendments we: i) Accept ii) Reject iii) Accept iv) Accept v) Accept vi) Modify	Attachment 10.1 and 10.2 Access Arrangement Document
15	Accept	DBP must amend clause 15.11(b) of the proposed revised access arrangement to read as follows: (b) any operating expenditure sub-category not forecast using a top-down, revealed cost approach. These costs: (i) may include, but are not limited to, operating costs incurred by the Operator relating to: A. system use gas; and B. non-recurrent operating expenditure. (ii) must not include operating expenditure previously classified as capital expenditure that was forecast on a bottom-up basis.	Accept		Attachments 12.1A and 12.3 Access Arrangement Document
16	Reject	DBP must remove clause 15.11(c) from the proposed revised access arrangement.	Modify	We have refined our exclusions to the E Factor by identifying specific fees and levies we propose to exclude.	Attachments 12.1A and 12.3 Access Arrangement Document
17	Reject	DBP must remove clause 15.11(e) from the proposed revised access arrangement	Modify	We agree there should be the same incentive to incur efficient costs resulting from a cost pass through event. We have, however, clarified the mechanism to ensure the forecast costs related to a cost pass through event are reflected in the opex benchmark before any carryover is calculated under the scheme.	Attachments 12.1A and 12.3 Access Arrangement Document
18	Modify	DBP must amend clause 15.11(f) of the proposed revised access arrangement to remove the pipeline operator's agreement as a precondition to the exclusion of other costs from the E Factor benchmark.	Modify	We have accepted the ERA's Draft Decision to remove our agreement as a precondition, however we have modified clause 15.11(f) to not preclude us from proposing costs to be excluded to the ERA.	Attachments 12.1A and 12.3 Access Arrangement Document
19	Accept	DBP must amend clause 15.12 of the proposed revised access arrangement to read as follows: Where the Operator changes its approach to classifying costs as either capital expenditure or operating expenditure during the access arrangement period, the Operator will adjust the E Factor benchmark to be consistent with the capitalisation policy changes to the effect that outcomes under the efficiency mechanism are not affected by the change in capitalisation policy.	Accept		Attachments 12.1A and 12.3 Access Arrangement Document

20	Modify	DBP must amend clauses 15.2(c) and 15.8 of the proposed revised access arrangement to correct the following typographical errors: <ul style="list-style-type: none"> <li>• In clause 15.2(c), the reference to "clause 16.11" must be changed to "clause 15.11".</li> <li>• In clause 15.8, the reference to "(A5 in paragraph (16.7) above)" must be changed to "(A5 in paragraph (15.7) above)".</li> </ul>	Accept		Attachments 12.1A and 12.3 Access Arrangement Document
21	Modify	DBP must amend the proposed revised access arrangement to reflect the draft decision tariffs in Table 126.	Modify	Modified to reflect updated revised Final Plan	Access Arrangement Document
22	Modify	DBP must amend clause 11 (Reference Tariff Variation Mechanism) and Annexure A of the proposed revised access arrangement to: <ul style="list-style-type: none"> <li>• Include a rebate mechanism for the rebateable peaking service.</li> <li>• Amend the description of the debt risk premium (in Annexure A) to ensure it conforms with the ERA's Rate of Return Guideline. The required amendments are set out at paragraph 1233 of this draft decision.</li> <li>• Correct the typographical error in paragraph 11.5(j) so that the reference is identified as "clause 11.5" (and not "clause 0").</li> </ul>	Accept	Modified to include three additional rebateable non-reference services	Access Arrangement Document
23	Modify	DBP must amend clause 13 of the proposed revised access arrangement to delete the proposed amendments to the fixed principles so that the fixed principles remain the same as the current (AA4) fixed principles. That is: <ul style="list-style-type: none"> <li>• Clause 13.1(b) must be amended to read: "the revenue earned by Operator during the period commencing on 1 July 2005 and ending on 31 December 2015 from the sale of any services ..."</li> <li>• Clause 13.2 must be amended to read: "For the purposes of the Fixed Principles referred to in clauses 13.1(a) and 13.1(b) of this Access Arrangement, the fixed period is until 31 December 2031".</li> </ul> However, DBP must make the proposed amendment to clause 13.1(b)(i) to insert the words "for T1 Service" to clarify that the reference tariff is for the T1 Service.	Accept		Access Arrangement Document
24	Modify	DBP must consider deleting the fixed principle for determining the capital base in clause 13.1(a) of the proposed revised access arrangement and replacing it with the words "[DELETED]". Subject to the fixed principle in clause 13.1(a) being deleted, a consequential amendment to clause 13.2 to delete the reference to "clause 13.1(a)" must be made so that the clause reads: "For the purposes of the Fixed Principles referred to in clause 13.1(b) of this Access Arrangement, the fixed period is until 31 December 2031".	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A
25	Modify	DBP must amend the term "DBNGP" in clause 1 of the proposed terms and conditions for the T1 Service, P1 Service and 81 Service to change the date "1 January 2020" to a date that reflects the commencement date of the revised access arrangement, which is expected to be 1 January 2021.	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A
26	Modify	D8P must amend the term "P1 Capacity Reservation Tariff" in clause 1 of the proposed terms and conditions for the P1 Service to mean: P1 Capacity Reservation Tariff, in all cases subject to clauses 14.7, 20.S(a)(ii) and 20.5(a)(iii), has the meaning given in clause 16 of the Access Arrangement. Analogous amendments to the term "81 Capacity Reservation Tariff" and "T1 Capacity Reservation Tariff" must also be made in the terms and conditions for the 81 Service and T1 Service, respectively. However, in the terms and conditions for the T1 Service, the cross- reference to clause 14.7 must be deleted.	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A

27	Modify	DBP must amend the term "P1 Commodity Tariff" in clause 1 of the proposed terms and conditions for the P1 Service to mean: P1 Commodity Tariff, in all cases subject to clauses 14.7, 20.5(a)(ii) and 20.5(a)(iii), has the meaning given in clause 16 of the Access Arrangement. Analogous amendments to the term "B1 Commodity Tariff" and "T1 Commodity Tariff" must also be made in the terms and conditions for the B1 Service and T1 Service, respectively. However, in the terms and conditions for the T1 Service, the cross-reference to clause 14.7 must be deleted.	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A
28	Modify	DBP must amend the term "P1 Tariff" in clause 1 of the proposed terms and conditions for the P1 Service to mean: P1 Tariff, in all cases subject to clauses 14.7, 20.5(a)(ii) and 20.5(a)(iii), has the meaning given in clause 16 of the Access Arrangement. Analogous amendments to the terms "B1 Tariff" and "T1 Tariff" must also be made in the terms and conditions for the B1 Service and T1 Service, respectively. However, in the terms and conditions for the T1 Service, the cross-reference to clause 14.7 must be deleted.	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A
29	Modify	DBP must amend the term "Reference Tariff Variation Mechanism" in clause 1 of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to delete the words "from time to time".	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A
30	Modify	DBP must delete the term "T1 Reference Tariff" from the proposed terms and conditions for the P1 Service and B1 Service.	Reject	Definition required to remain in place due to our rejection of ERA's reasoning on applicability of the Distance Factor to Other Charges in the P1 and B1 Reference Contracts.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
31	Modify	DBP must amend clause 3.2(a) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to retain subclause (i) that reads: (i) can only be Curtailed in the circumstances specified in clause 17.2;	Reject	Request revert to original drafting. Change required by ERA is not correct in our view.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
32	Modify	DBP must amend clause 4.8(a) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to capitalise the words "access request form" (in the first line) so that the words become the defined term: "Access Request Form".	Modify	Support in principle, but modifications required to ERA drafting.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
33	Modify	DBP must amend clause 6.11(a) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to: • Clarify the criteria for the allocation of maintenance charges across shippers. • Correct grammatical and typographical errors. • Make clear that there is no amortisation of relevant construction costs where those costs are already paid for by the shipper or another third party. The required drafting amendments are set out at paragraph 1458 of this draft decision.	Modify	Support in principle, but modifications required to ERA drafting.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
34	Modify	DBP must amend clauses 6.11(d), 6.11(e) and 6.11(f) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to clarify that the rebate given is a proportion of the excess which is the same proportion as the greater of the amount determined by the respective subclauses (i) and (ii). The required drafting amendments are set out at paragraph 1467 of this draft decision.	Modify	Support in principle, but modifications required to ERA drafting.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
35	Modify	DBP must amend clauses 8.9(c) and 8.9(f) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to specify that: • For the purpose clause 8.9(c), inlet point means an inlet point on the DBNGP. • For the purpose of clause 8.9(f), outlet point means an outlet point on the DBNGP. The required drafting amendments are set out at paragraph 1489 of this draft decision.	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A

36	Modify	DBP must amend clause 8.10(b) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to replace the words “the Operator is taken to have issued a Curtailment Notice at the time it schedules that Capacity Service” with the words “the Operator must issue a Curtailment Notice at the time it schedules that Capacity Service”.	Reject	We consider this an unnecessary additional administrative step - the relevant information is already provided through CRS, and no need to provide additional notice.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
37	Modify	DBP must amend clause 8.16(e) of the proposed terms and conditions for the P1 Service and B1 Service to read: (e) the Shipper has complied with its obligations under clause 6.13 in respect of the relevant inlet point or outlet point. The same amendment must also be made to clause 8.16(d) of the proposed terms and conditions for the T1 Service (which is the equivalent clause).	Modify	Very minor modification	Attachments 14.1A, 14.2A, 14.3A and 14.4A
38	Modify	DBP must amend clause 9.6(a) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to make the clause subject to any other agreement to change the imbalance limit by inserting the following words at the beginning of the clause: “Except where the Shipper has contracted with the Operator for a different Outer Accumulated Imbalance Limit, ...”. DBP must also amend clause 9.5(a) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to make the clause subject to any other agreement to change the imbalance limit by inserting the following words at the beginning of the clause: “Except where the Shipper has contracted with the Operator for a different Accumulated Imbalance Limit, ...”.	Modify		Attachments 14.1A, 14.2A, 14.3A and 14.4A
39	Modify	DBP must amend clause 9.8 of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to delete proposed new clause 9.8(a).	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A
40	Modify	DBP must amend clause 14.7(b) of the proposed terms and conditions for the B1 Service to make the clause read: (b) Except where the Shipper has contracted with the Operator for a different Outer Accumulated Imbalance Limit, if a relocation of Capacity under this clause results in Gas being transported to the Shipper from, or Received from the Shipper at, a point downstream of the southern most point of the DBNGP as at 30 December 2003 (being Clifton Road), in addition to the matters described in clause 14.7(c), the Shipper ...	Modify	Support in principle, but modifications required to ERA drafting.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
41	Modify	DBP must amend clause 1 of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to: <ul style="list-style-type: none"> <li>• Delete the term “Networks”.</li> <li>• Amend the term “Distribution Network” to mean “any Gas distribution system which receives Gas from the DBNGP”.</li> </ul>	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A
42	Modify	DBP must amend the proposed terms and conditions for the B1 Service to insert a new clause 3.5 (Need for sufficient Forward Haul Gas) which requires the operator to not contract additional B1 Services unless it considers as a reasonable and prudent person that there will be sufficient forward haul gas under normal operating conditions to provide all B1 Services on a firm basis. The required drafting for new clause 3.5, including a consequential drafting change to clause 17.3(b)(ii), is set out at paragraph 1600 of this draft decision.	Modify	Support in principle, but modifications required to ERA drafting.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
43	Modify	DBP must amend clause 28.3(b)(i)(C) of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to delete the proposed amendments so that the clause prohibits the permitted disclosure of confidential information to any person who is directly involved in the generation or sale of electricity in Western Australia (rather than the generation or sale of electricity in the South West Interconnected System of Western Australia).	Accept		Attachments 14.1A, 14.2A, 14.3A and 14.4A

44	Modify	DBP must amend clauses 4.3 and 4.5 of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service to provide for options to extend that are more than one month and less than one year. The required drafting for these amendments is set out at paragraph 1708 of this draft decision. Consequential amendments must also be made to clauses 4.6 and 4.7 of the proposed terms and conditions for the T1 Service, P1 Service and B1 Service. The required drafting for these amendments is set out at paragraph 1709 of this draft decision.	Reject	12 month notice period for exercise of options is required to allow planning for DBP business, therefore no sense in making option period less than 1 year.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
45	Modify	DBP must amend clause 1 and schedule 2 (row 4) of the proposed terms and conditions for the P1 Service and B1 Service to reinstate the provisions that applied in the second access arrangement period (AA2) for determining the Unavailable Overrun Charge. The required drafting for these provisions is set out at paragraph 1719 of this draft decision. DBP must also amend clause 11.1(b)(ii) of the proposed terms and conditions for the P1 Service and B1 Service to add the words "multiplied by the Distance Factor" at the end of the clause.	Reject	Rejection of application of Distance Factor to calculation of Other Charges in the P1 and B1 Reference Contracts. Reject application of P1 Tariff and B1 Tariff as the base tariff to which the Other Charges apply.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
46	Modify	DBP must amend rows 1 and 2 in schedule 2 of the proposed terms and conditions for the P1 Service and B1 Service to reinstate the provisions that applied in the second access arrangement period (AA2) for determining the Excess Imbalance Charge and Hourly Peaking Charge, respectively. The required drafting for these provisions is set out in paragraph 1723 of this draft decision.	Reject	Rejection of application of Distance Factor to calculation of Other Charges in the P1 and B1 Reference Contracts. Reject application of P1 Tariff and B1 Tariff as the base tariff to which the Other Charges apply.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
47	Modify	DBP must include definitions for the terms "P1 Reference Tariff" and "B1 Reference Tariff" in the terms and conditions for the P1 Service and B1 Service, respectively. A definition for the term "Access Arrangement Period" must also be included in both the terms and conditions for the P1 Service and B1 Service. The required meanings for these terms are set out at paragraphs 1724 and 1725 of this draft decision.	Reject	Definitions not required due to rejection of ERA's reasoning on applicability of the Distance Factor to Other Charges in the P1 and B1 Reference Contracts.	Attachments 14.1A, 14.2A, 14.3A and 14.4A
48	Modify	DBP must amend the requirements for access requests in clause 5.3 of the proposed revised access arrangement to insert new clause 5.3(d), which will apply to an access request for a reference service where the shipper states, in accordance with clause 5.2(c)(viii)(A), that it accepts the Access Contract Terms and Conditions. The required drafting for new clause 5.3(d) is set out at paragraph 1746 of this draft decision. Consequential amendments to renumber the remaining subclauses in clause 5.3 must also be made.	Accept		Attachment 14.1B Access Arrangement Document
49	Modify	DBP must amend the queuing requirements in clause 5.4 of the proposed revised access arrangement to require the disclosure of information to enable a user to determine its actual position in the queue for access to capacity (as required by rule 103(5)(b) of the NGR).	Accept		Attachment 14.1B Access Arrangement Document
50	Modify	DBP must amend the queuing requirements in clause 5.4(f) of the proposed revised access arrangement to clarify the requirements in instances where an access request requires the terms and conditions of the access contract to be negotiated between the operator and prospective shipper or is subject to conditions. The required drafting for these amendments is set out at paragraph 1755 of this draft decision	Accept		Attachment 14.1B Access Arrangement Document
51	Modify	DBP must amend the extension and expansion requirements in clause 7.3 of the proposed revised access arrangement to change the date from "1 July 2021" to "1 January 2021" to reflect the expected commencement date of the revised access arrangement for the fifth access arrangement period (AA5).	NA		Attachment 14.1B – Other amendments have made this change unnecessary
52	Modify	DBP must amend the extension and expansion requirements in clause 7 of the proposed revised access arrangement so that the requirements satisfy rule 104 of the NGR. The matters that DBP must address are set out at paragraphs 1770 to 1780 of this draft decision.	Accept	Align extensions and expansions in the AA with the requirements in the NGR and also by reference to Regulator's decision in Goldfields Gas Pipeline.	Attachment 14.1B Access Arrangement Document
53	Modify	DBP must amend the terms and conditions for changing inlet and outlet points in clause 8.1 in the proposed revised access arrangement to read: "In accordance with NGR 106, the Shipper under an Access Contract may: ..."	Accept		Access Arrangement Document